

ATRESMEDIA

1H 19 Results

July 25th, 2019

www.atresmediacorporacion.com



“We believe in the power of reflection and emotion”

1H 19 Highlights

- According to external sources, Total Ad market decreased by 2% in 1H19 with TV down by near 6%, Radio up by 3% and Digital +10%
- Atresmedia achieved 26.9% audience share in Total Individuals and 28.5% in Commercial Target. Both in line with 1H18
- Atresmedia TV increased market share by 10bps up to 41.7%
- Atresmedia Radio's NAR grew by +2.5% up to €43 mill
- Atresmedia's Net revenue amounted to €540 mill; -1.9% yoy
- OPEX stood at €436 mill; -2.9% yoy
- EBITDA of €104 mill (+2.5% yoy). EBITDA margin improved 80 bps up to 19.2%
- Net Profit reached €70 mill, in line with 1H18 (+0.5%)
- Total Net Debt stood at €218 mill (vs €231 mill at Dec 2018)
- Atresmedia paid in June an extraordinary dividend in the amount of 0.25€/sh, complementing the ordinary dividend paid in Dec 18 (0.2€/sh)

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1H 19 Financial Summary

Atresmedia

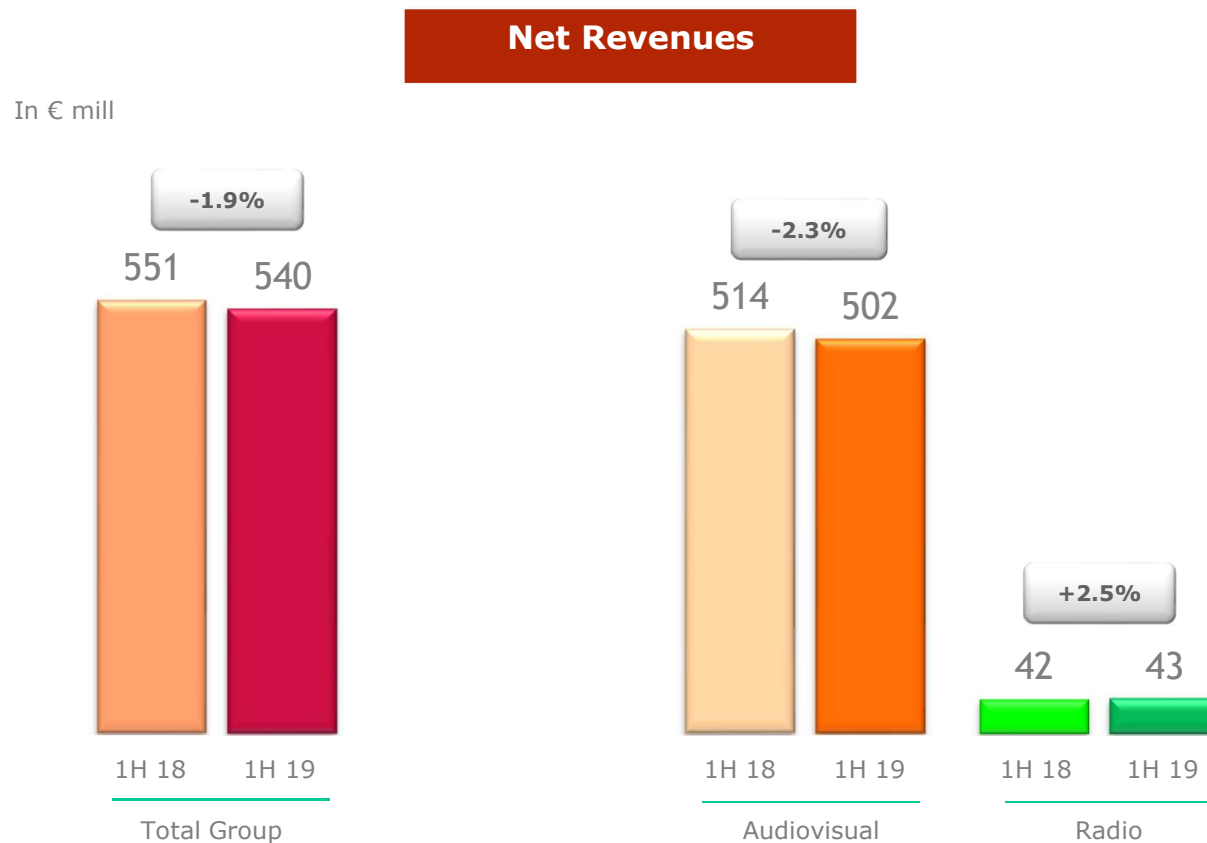
1H 19 Results in € mill: P&L

	1H 19	1H 18	YoY
Net Revenues	540.0	550.6	-1.9%
OPEX	436.1	449.4	-2.9%
EBITDA	103.8	101.3	+2.5%
<i>EBITDA Margin</i>	<i>19.2%</i>	<i>18.4%</i>	
EBIT	94.0	91.7	+2.5%
<i>EBIT Margin</i>	<i>17.4%</i>	<i>16.6%</i>	
Net profit	69.6	69.3	+0.5%
<i>Net profit Margin</i>	<i>12.9%</i>	<i>12.6%</i>	

Source: Atresmedia's financial statements

Atresmedia: Net revenues by segment

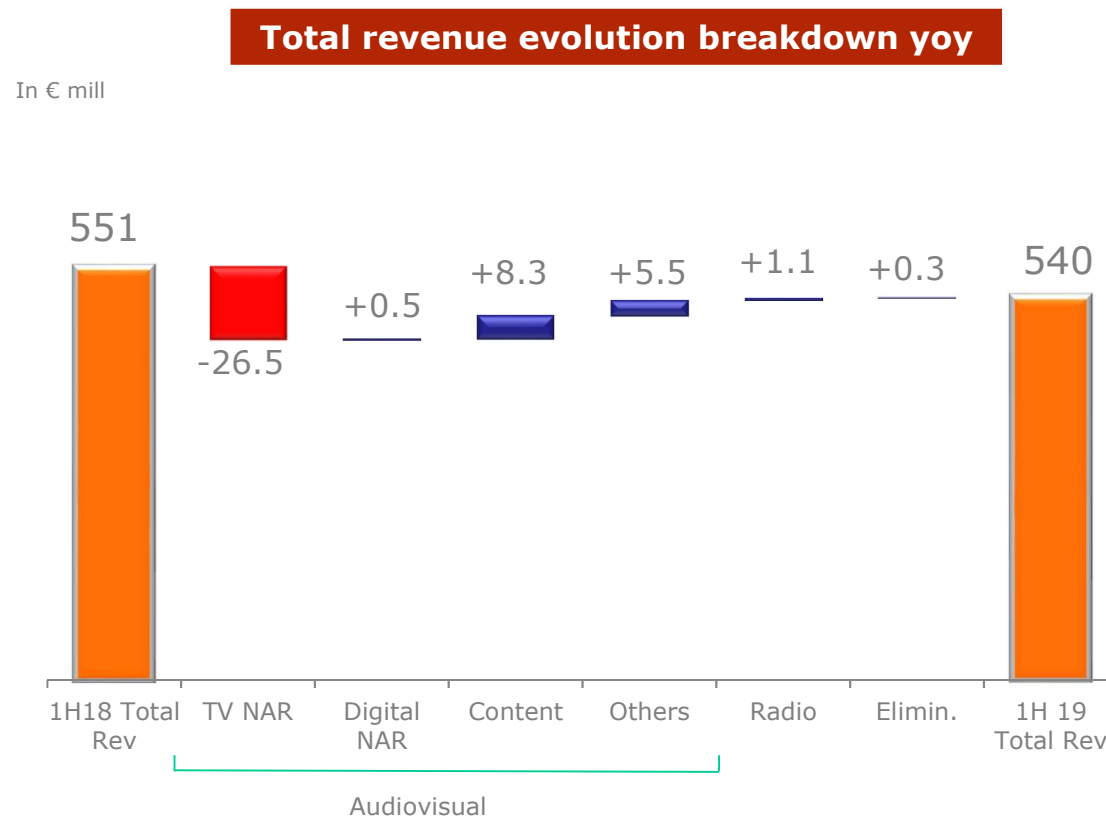
- Total Net Revenues stood at €540.0 mill, -1.9% yoy
- Audiovisual revenues were €501.7 mill (-2.3% yoy)
- Radio revenues totaled €43.3 mill (+2.5% yoy)



Source: Atresmedia's financial statements
Eliminations are not included

Atresmedia: Total revenue

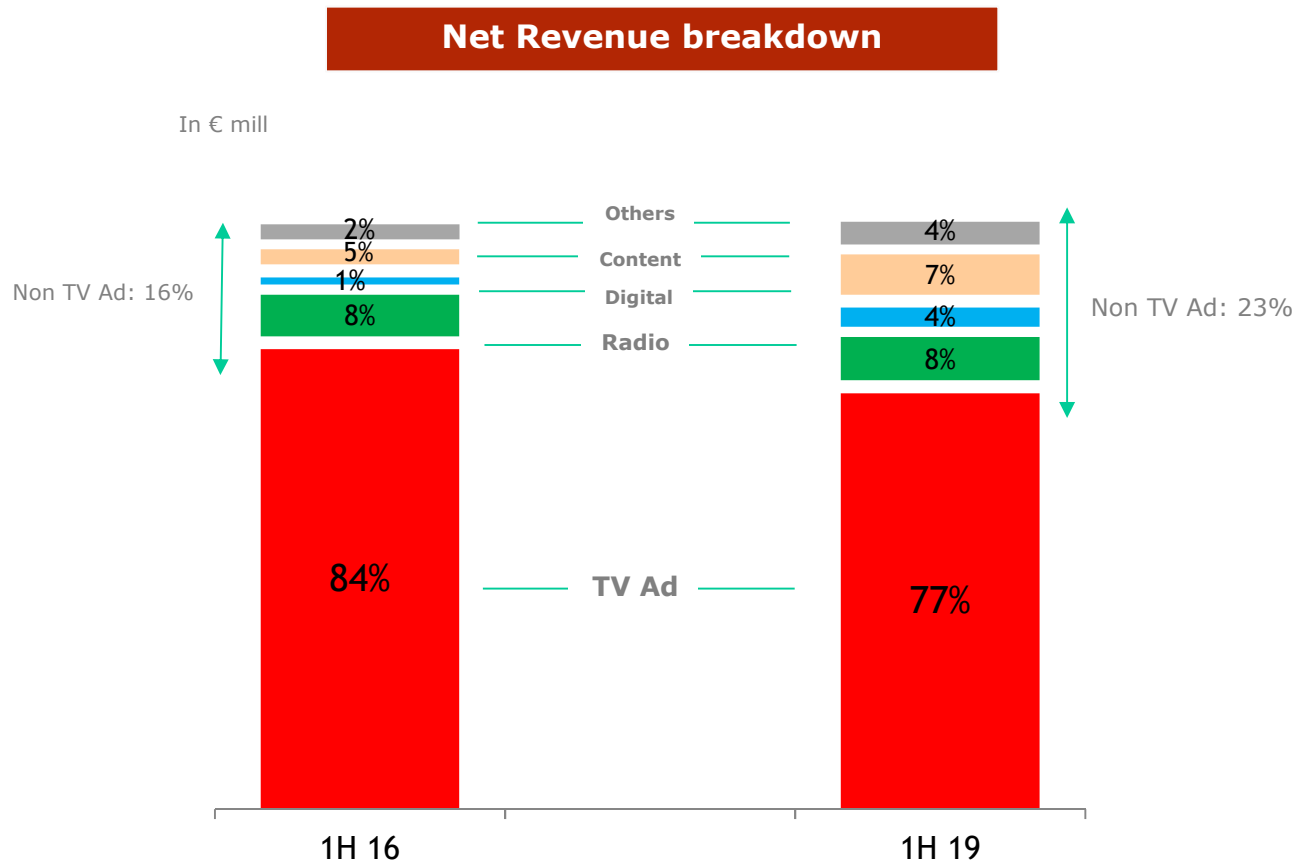
- TV NAR's decline due to the tough ad market conditions was partially offset by other activities



Source: Atresmedia's financial statements

Atresmedia: Total revenue breakdown & evolution

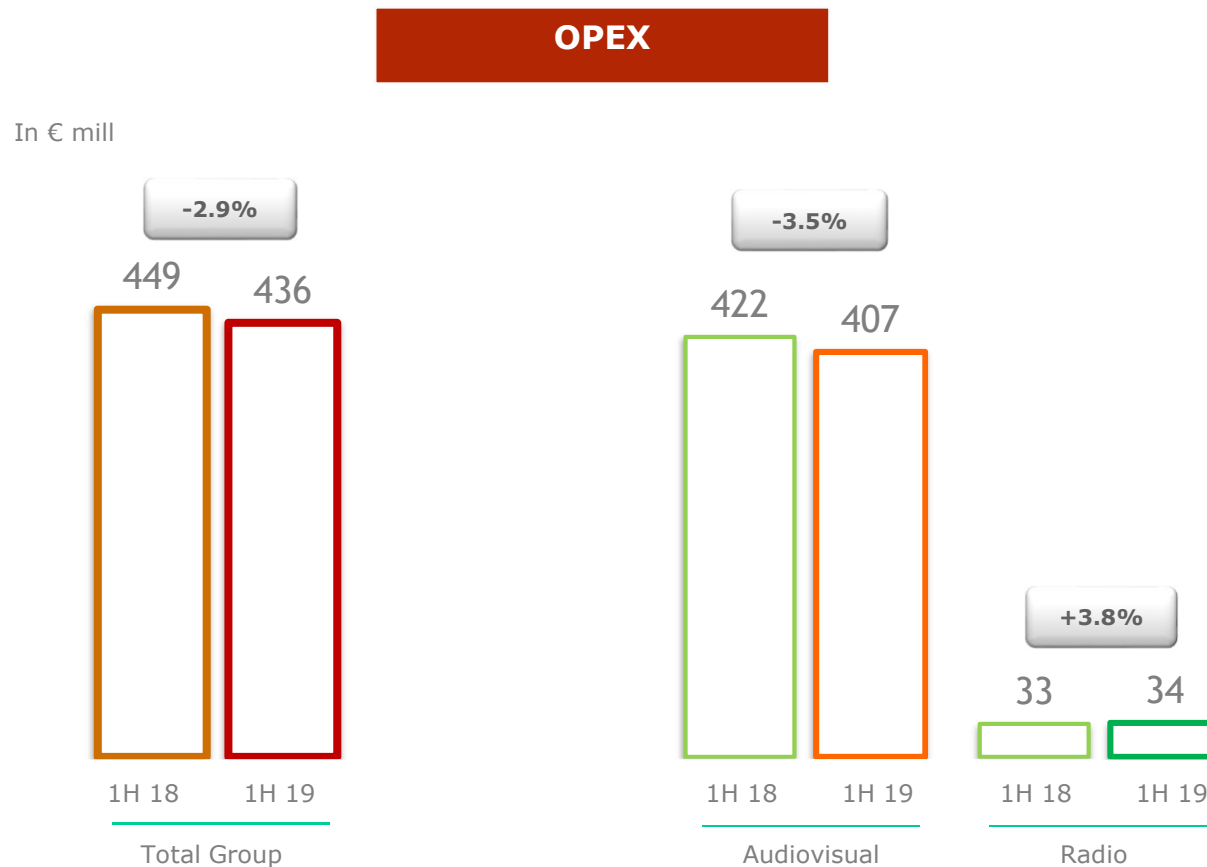
- Gradual diversification in our sources of revenues in last years
- Non TV Ad revenue accounts for 23% of Total revenue in 1H 19 vs 16% three years ago



Source: Atresmedia's financial statements
Eliminations are not included

Atresmedia: OPEX by segment

- Total OPEX was €436.1 million, -2.9% yoy
- Audiovisual expenses reached €406.8 mill (-3.5% yoy)
- Radio expenses: €34.4 mill (+3.8% yoy)



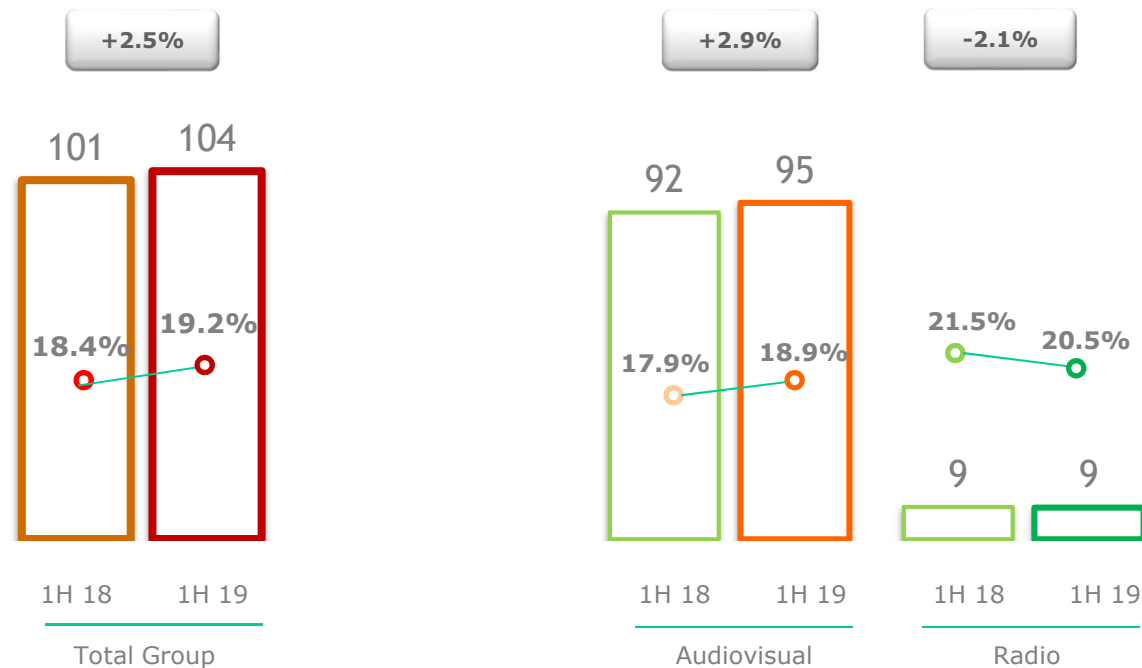
Source: Atresmedia's financial statements
Eliminations are not included

Atresmedia: EBITDA by segment

- Total EBITDA was €103.8 million, +2.5% yoy
- Total EBITDA margin improved yoy in 80 bps up to 19.2%

EBITDA & EBITDA margin

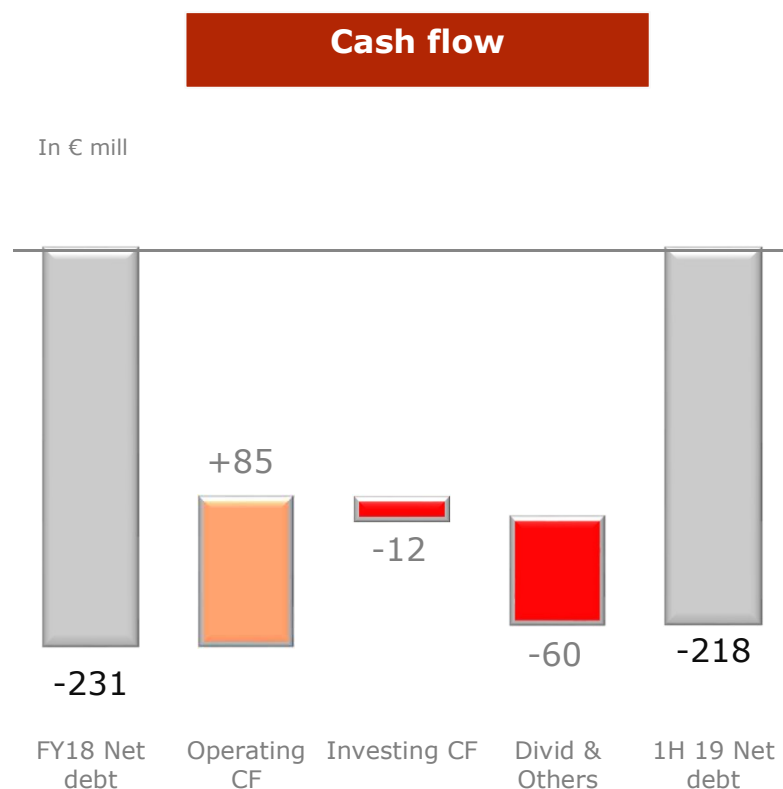
In € mill



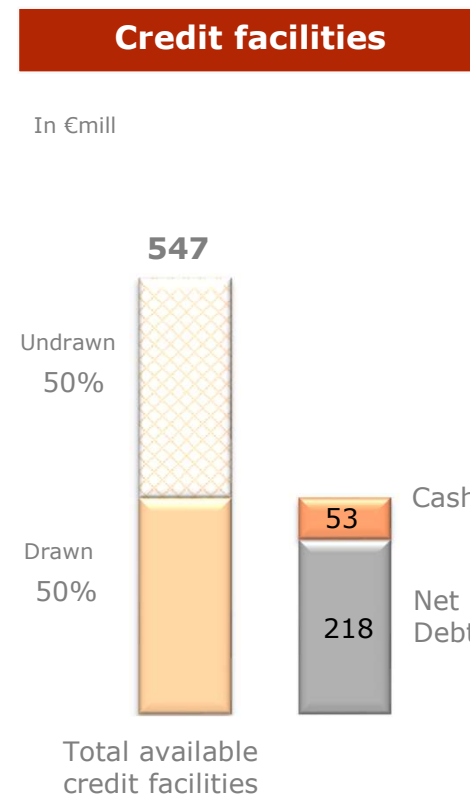
Source: Atresmedia's financial statements
Eliminations are not included

Atresmedia: Cash flow & Debt position

- Total net debt amounted to €218 million vs €231 million at Dec-2018
- Total net debt last 12 months/EBITDA = 1.15x



Source: Atresmedia's financial statements



Source: Atresmedia's financial statements

Atresmedia Audiovisual

1H 19 Results in € mill: P&L

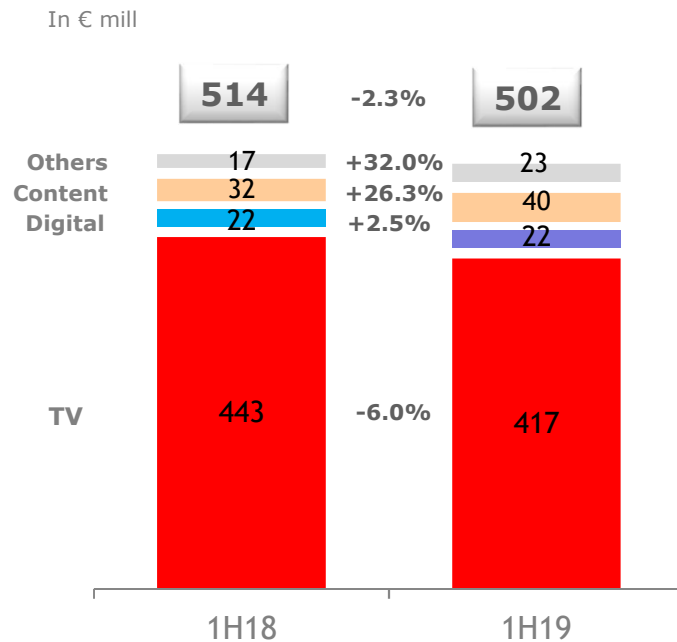
	1H 19	1H 18	YoY
Total Net Rev.	501.7	513.8	-2.3%
OPEX	406.8	421.6	-3.5%
EBITDA	94.9	92.2	+2.9%
<i>EBITDA Margin</i>	<i>18.9%</i>	<i>17.9%</i>	
EBIT	86.5	83.7	+3.4%
<i>EBIT Margin</i>	<i>17.2%</i>	<i>16.3%</i>	

Source: Atresmedia`s financial statements

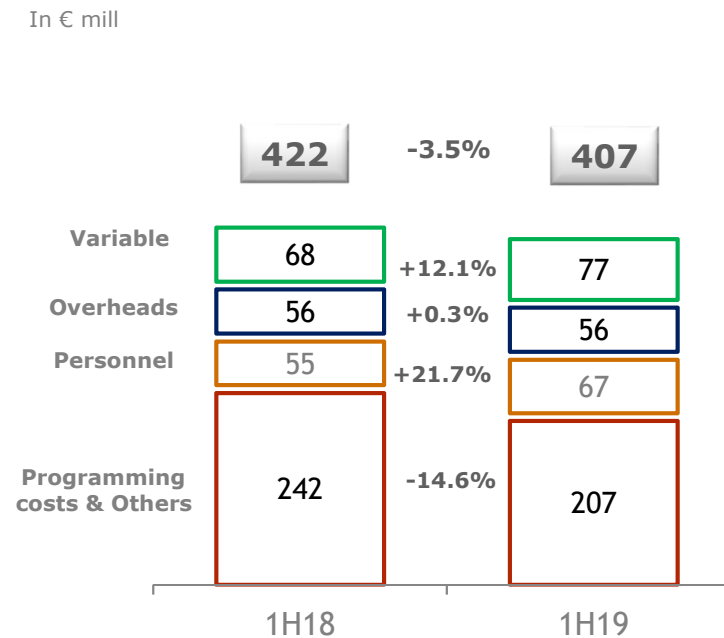
Audiovisual: Breakdown

- Audiovisual Net Revenues: The increase in Digital, Content and Others was insufficient to offset the TV decline
- OPEX down by 3.5%, basically due to the savings in programming of Champions League

Net Revenue breakdown



OPEX breakdown



Source: Atresmedia's financial statements

Atresmedia Radio

1H 19 Results in € mill: P&L

	1H 19	1H 18	YoY
Net Revenues	43.3	42.2	+2.5%
OPEX	34.4	33.1	+3.8%
EBITDA	8.9	9.1	-2.1%
<i>EBITDA Margin</i>	<i>20.5%</i>	<i>21.5%</i>	
EBIT	7.5	8.0	-6.2%
<i>EBIT Margin</i>	<i>17.3%</i>	<i>18.9%</i>	

Source: Atresmedia's financial statements

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1H 19 Operational Summary

Advertising market in Spain

- According to external sources, Total Ad market fell by around 2% yoy
- TV Ad market was down by 6% approx. while Radio & Internet outperformed the overall market

Media	I2p	Infoadex
TV	-6.0%	-5.6%
Radio	+2.8%	+2.9%
Newspapers	-7.1%	-7.8%
Magazines	-15.2%	-11.0%
Sunday suppl.	-9.9%	-6.9%
Outdoor	+2.9%	+2.5%
Internet	+10.1%	+9.9%
Cinema	+3.2%	+10.4%
Total	-1.7%	-2.2%

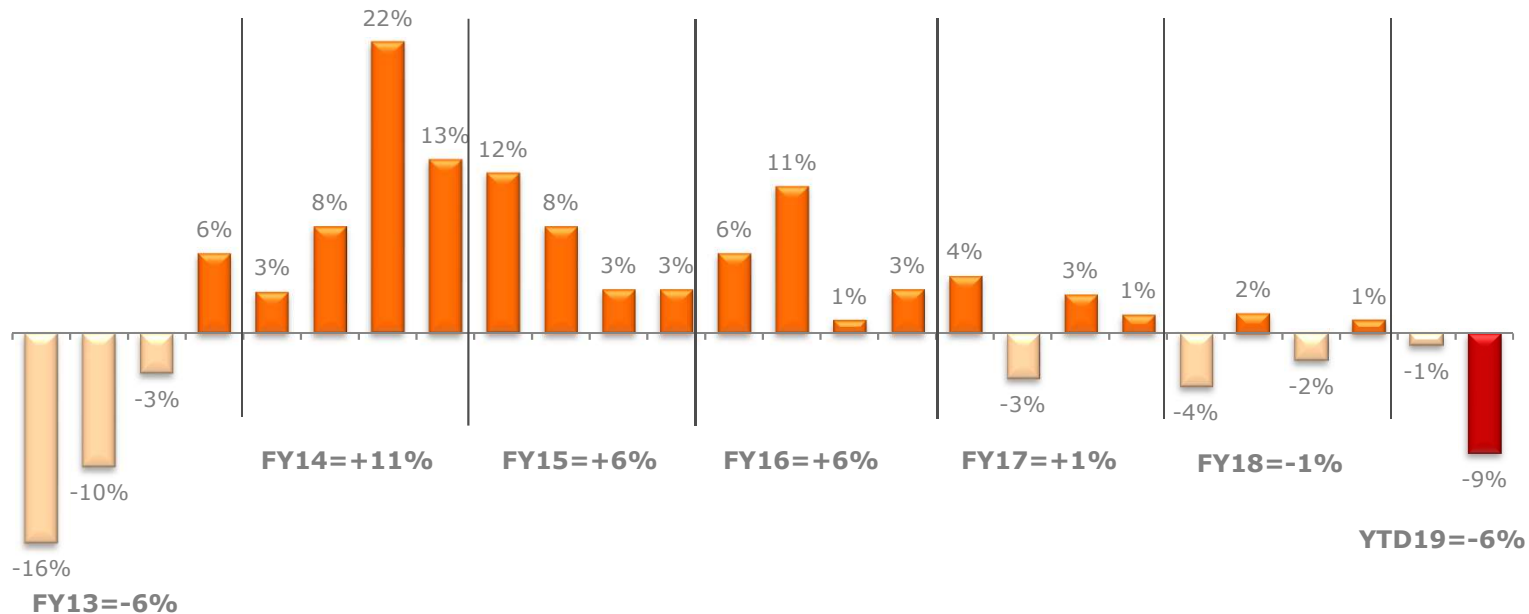
Source: I2p (ArceMedia) & Infoadex

TV Advertising market

- Very negative Q2 19 affected by the calendar effect (Easter), lack of sport events (FIFA World Cup) and two election processes in Spain



Gross Total TV Advertising by quarter (yoy growth)



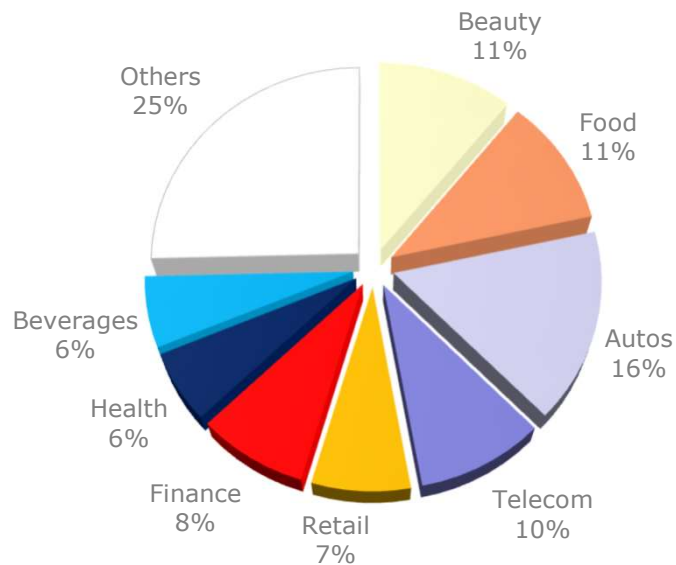
Q113 Q213 Q313 Q413 Q114 Q214 Q314 Q414 Q115 Q215 Q315 Q415 Q116 Q216 Q316 Q416 Q117 Q217 Q317 Q4 17 Q118 Q218 Q318 Q418 Q119 Q219

Source: Infoadex

TV Advertising market by category

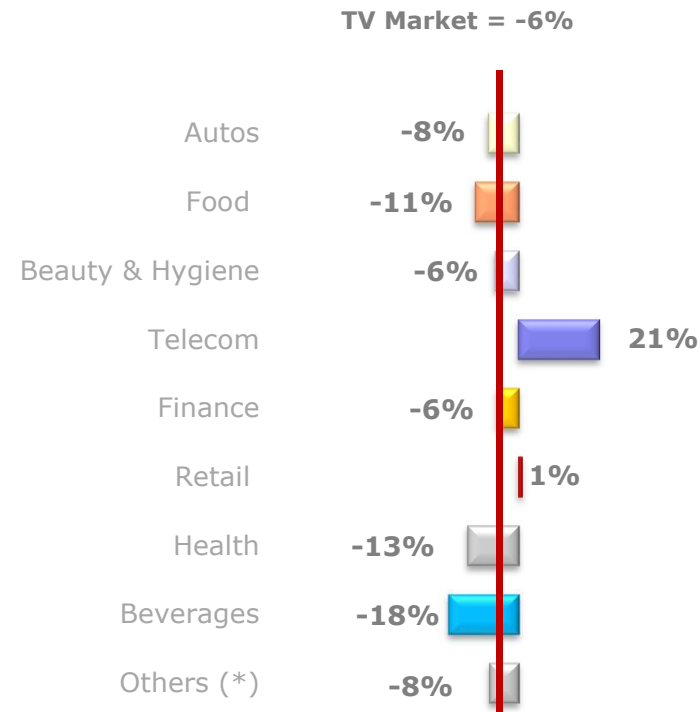
→ Positive performance in Telecoms & Retail...but far from offsetting the yoy decline in the other categories

1H 19 TV Ad market share by category



Source: Internal estimates

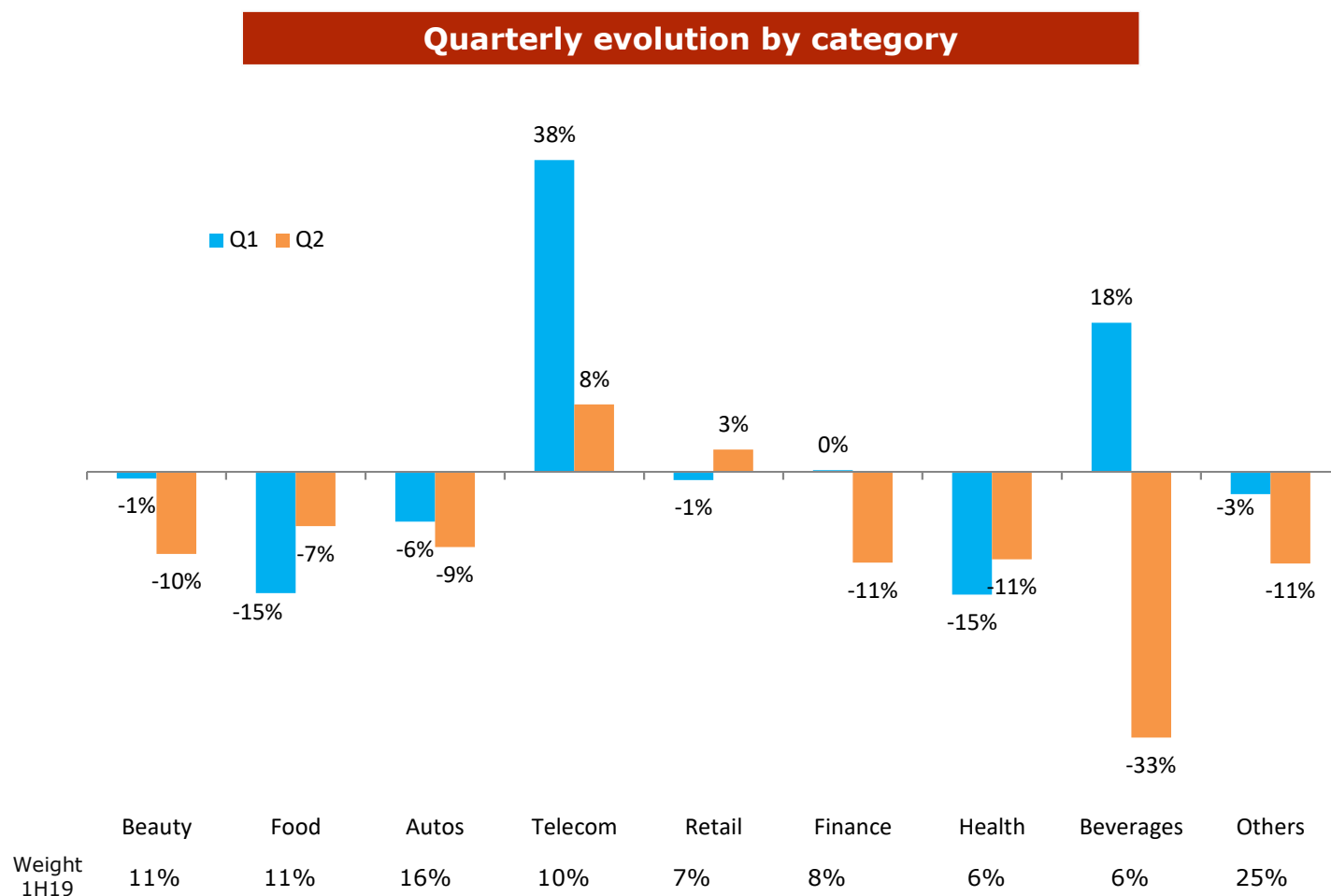
1H 19 TV Ad market evolution



*Others (<5% weight each): Cleaning, Leisure & sports, energy,...

TV Advertising market by category: Quarterly evolution

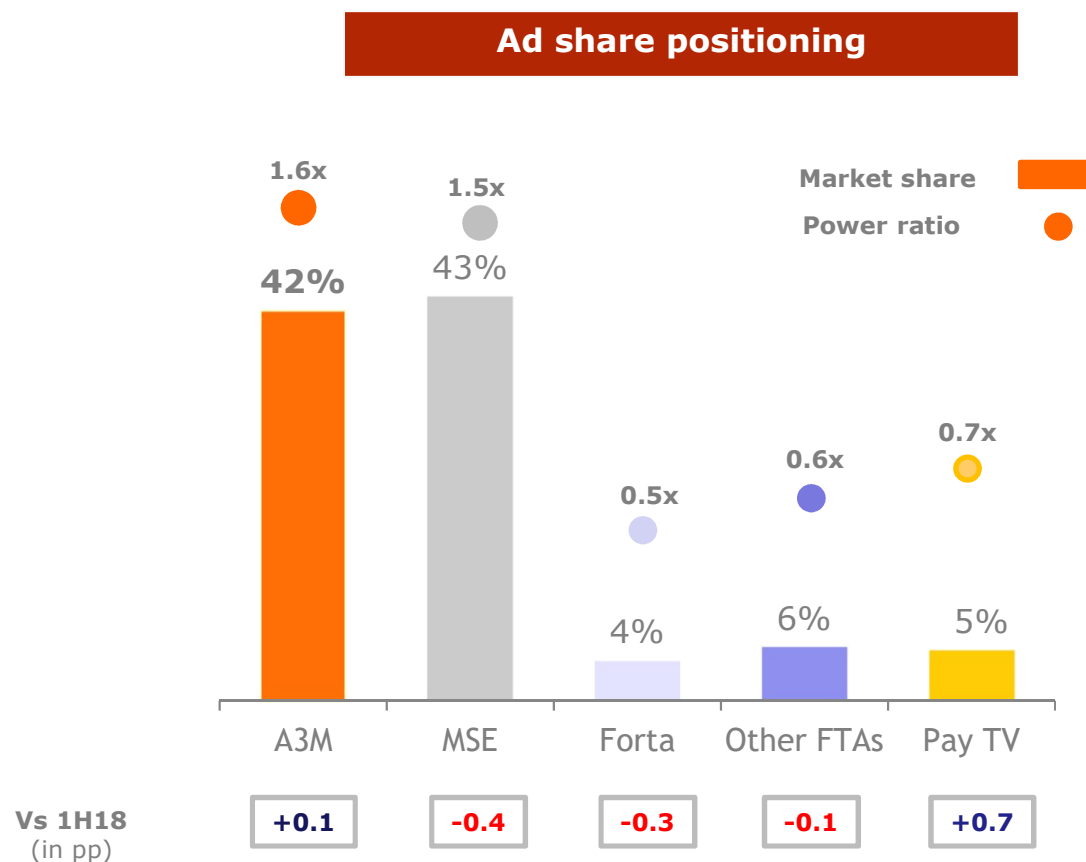
➔ Only Telecom increased its ad spending in both quarters



Source: Internal estimates

TV Ad market: Competitive position

- Atresmedia's market share stood at 41.7% (+10 bps vs 1H18)
- The highest power ratio in the industry (1.6x)

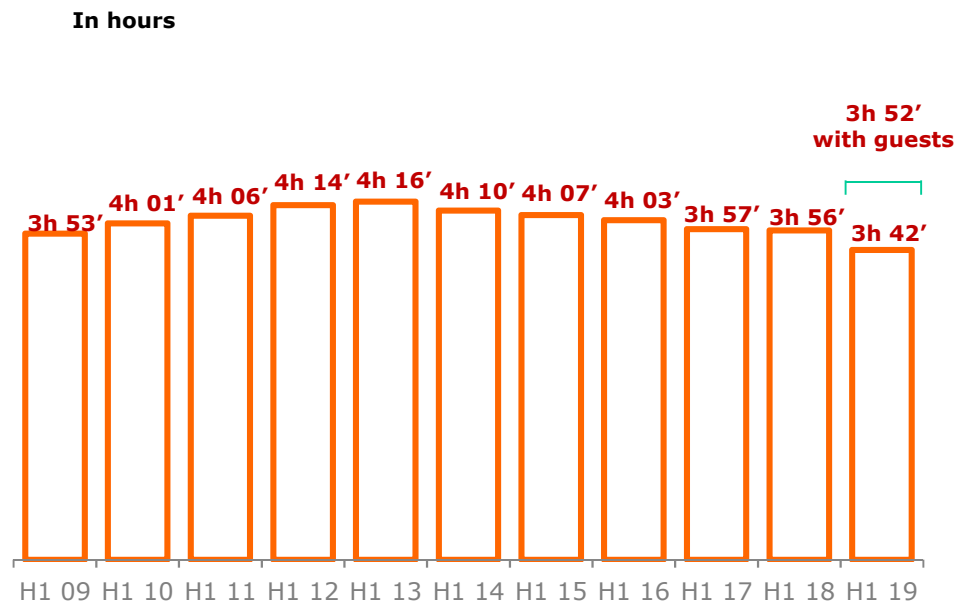


Source: Infoadex

TV viewing

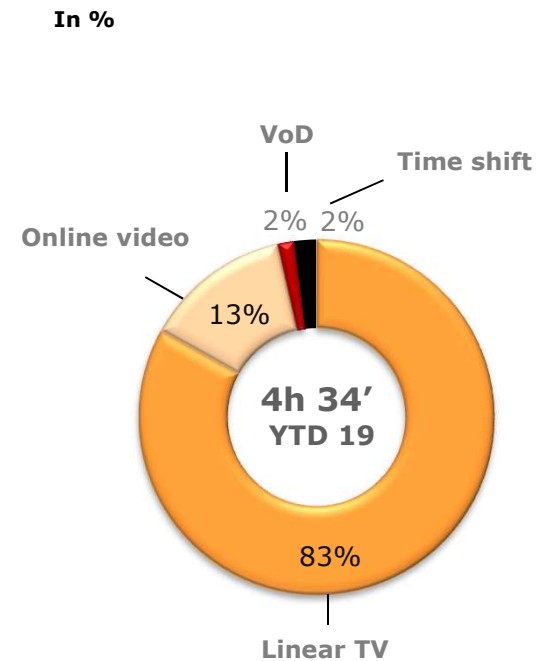
➔ Linear TV viewing remained at very high levels (near 4h/day on average)

Average daily TV viewing



Source: Kantar Media. Non linear TV viewing includes +7 days viewing through TV set (TV viewing on desktops, tablet or mobile devices not included)

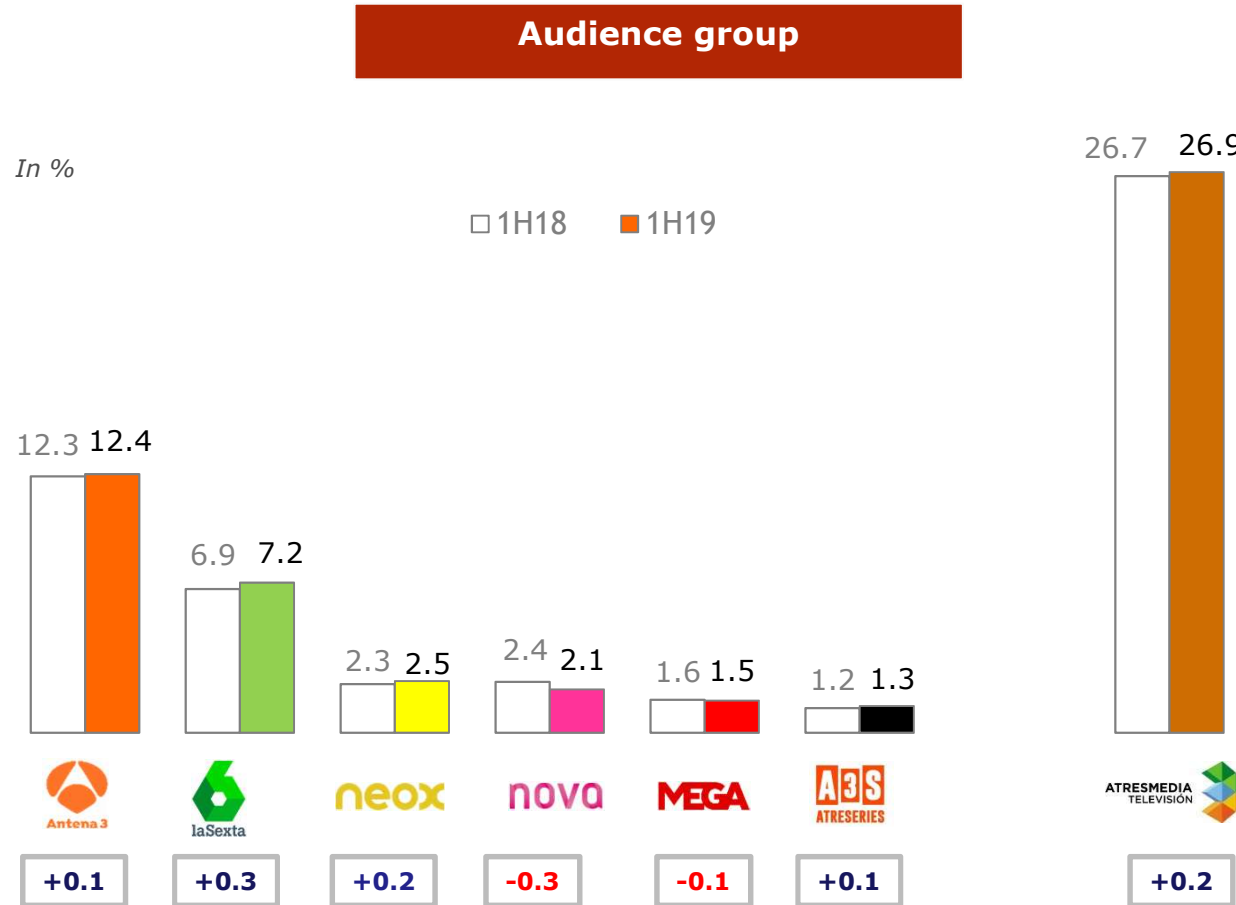
Average daily video viewing



Source: Kantar Media & Comscore *Linear TV includes guests metrics (Jan-May)

Television: Atresmedia audience share

- Atresmedia improved audience levels despite the lack of UEFA Champions League rights



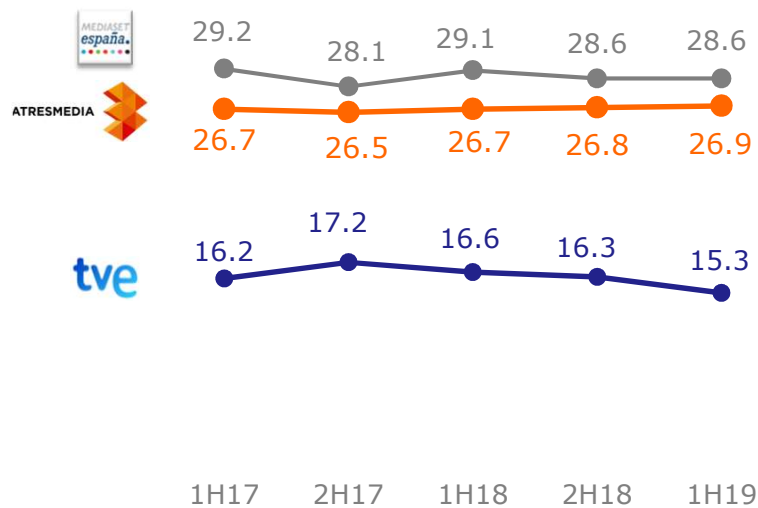
Source: Kantar Media. Total Individuals (4y+)

Television: Groups audience share

- Atresmedia achieved 26.9% audience share in Total Individuals and 28.5% in Commercial Target in H1 19

Audience Share Total Individuals

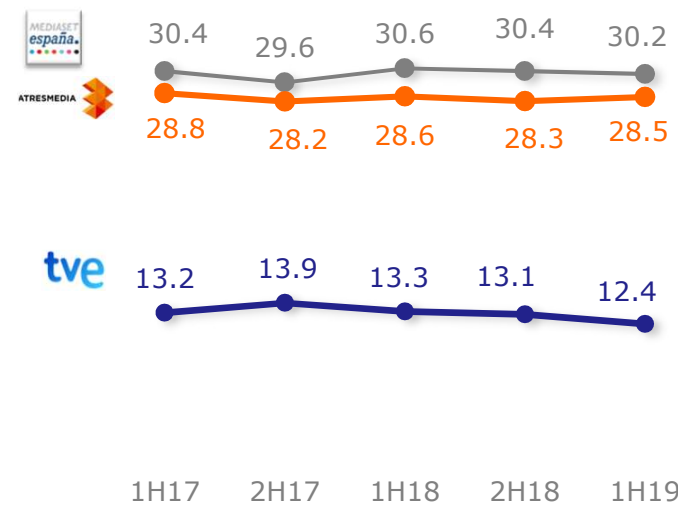
In %



Source: Kantar Media. Total Individuals (4y+)

Aud. Share by Commercial Target

In %



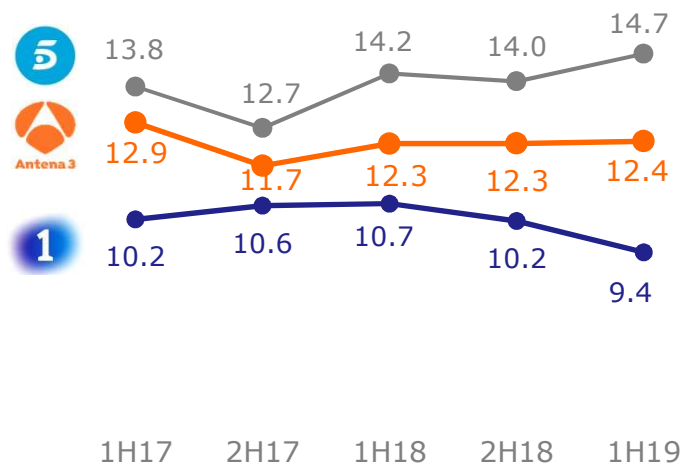
Source: Kantar Media. Commercial Target (25-59 y), >10,000 inhabitants

Television: Core channels audience share

→ Antena 3 achieved 12.4% in Total Individuals and 12.0% in the Commercial Target

Audience Share Total Individuals

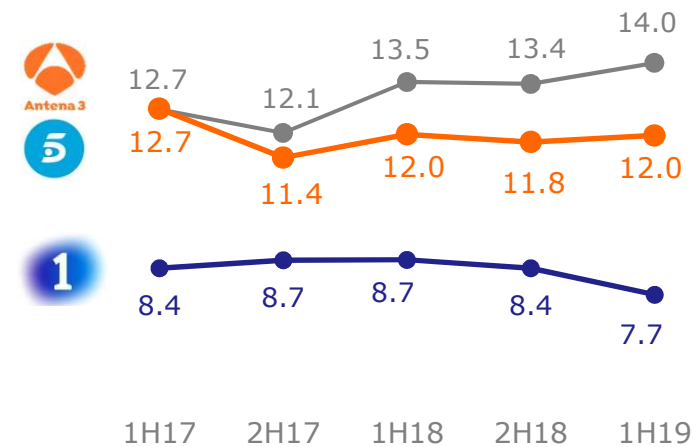
In %



Source: Kantar Media. Total Individuals (4y+)

Aud. Share by Commercial Target

In %



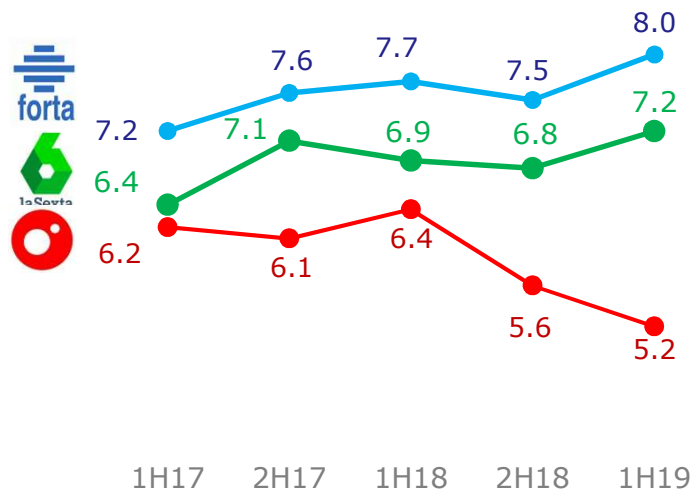
Source: Kantar Media. Commercial Target (25-59 y), >10,000 inhabitants

Television: Tier II channels audience share

- La Sexta improved 2018 ratings and widened the gap with its main commercial competitor, Cuatro

Audience Share Total Individuals

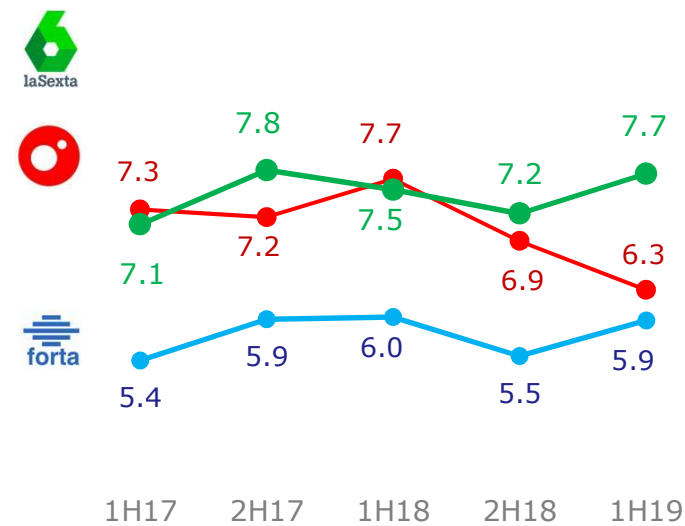
In %



Source: Kantar Media. Total Individuals (4y+)

Aud. Share by Commercial Target

In %

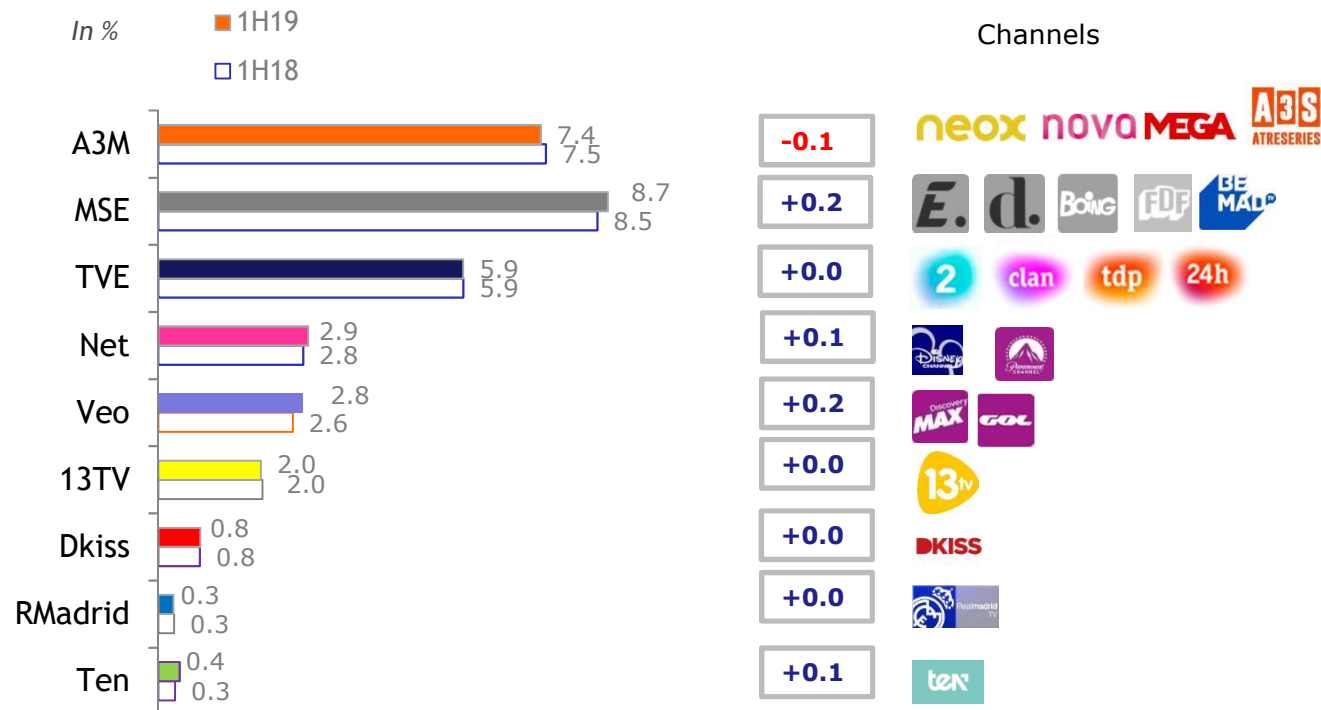


Source: Kantar Media. Commercial Target (25-59 y), >10,000 inhabitants

Television: Complementary channels audience share

→ Atresmedia's complementary channels reached 7.4% audience share

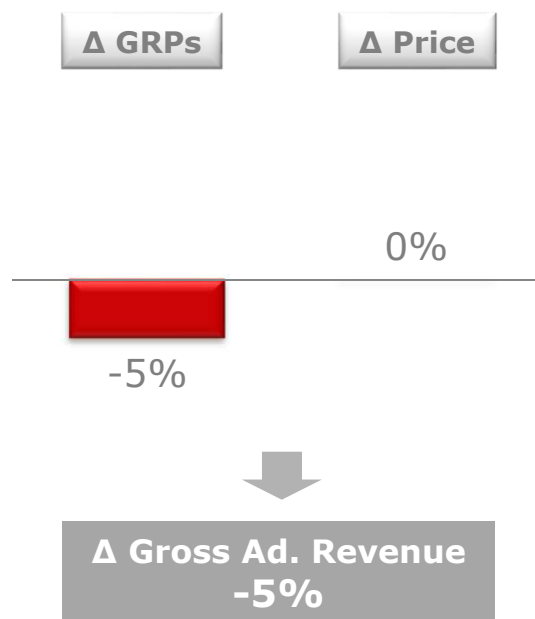
Complementary channels' audience share



Source: Kantar Media
Audience share 24h; Total Individuals: 4+

Atresmedia Television: Ad revenues breakdown in 1H 19

1H 19 Key factors



Source: Internal estimates

Atresmedia Digital

→ Atresmedia's family of sites among the top 10 of the most visited sites in Spain



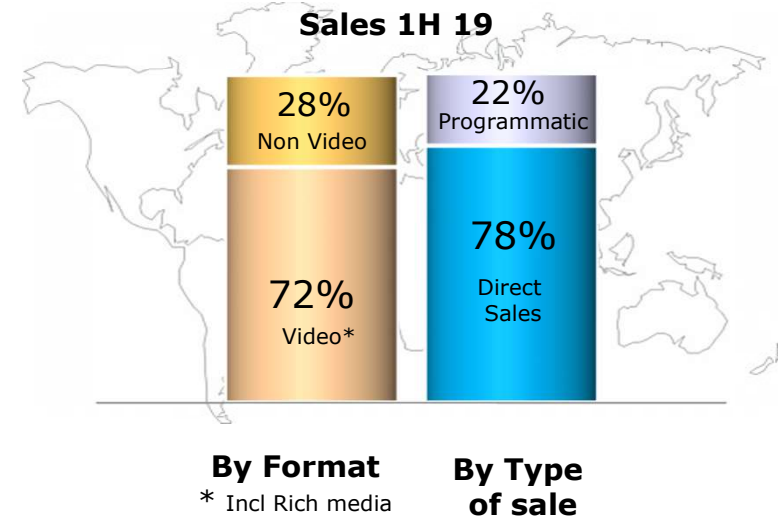
ATRESMEDIA SITES

Most visited sites Ranking (Comscore) **#9th**

Unique users (June 19 Comscore) **>24 mill**

ATRES player **2.6 mill**
Videoplayer users (Avg 19)

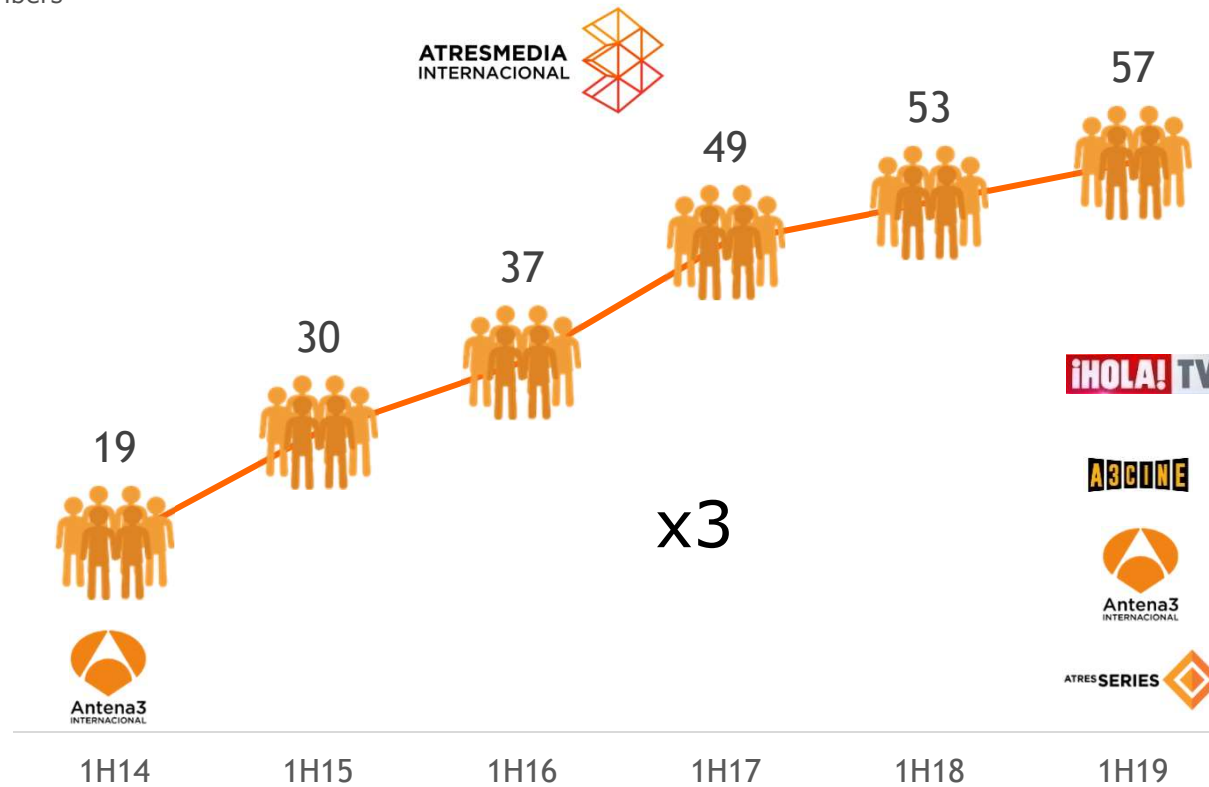
6.8 mill
Registrations (June 19)



Production & Content sales: Atresmedia International

→ Up to 57 mill subscribers in our international channels (x3 vs 1H14)

In mill subscribers



Production & Content sales: Atresmedia Cinema

- Atresmedia Films accounted for 22% of total revenues generated by Spanish films in 1H19

Atresmedia Cinema in 1H 19

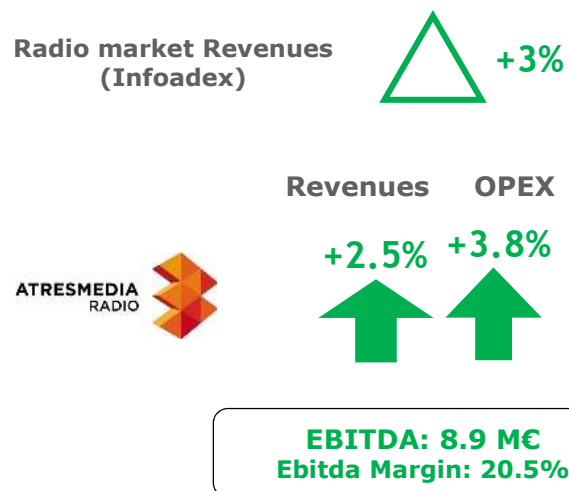


Atresmedia Radio

→ Atresmedia Radio grew (+2.5%) in line with the market (+3%)

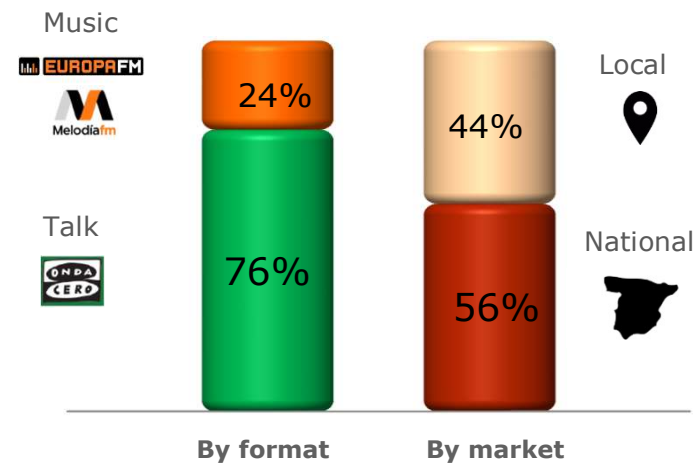
Atresmedia Radio vs Radio market

1H19 growth



Source: Infoadex

Revenues breakdown in 1H 19

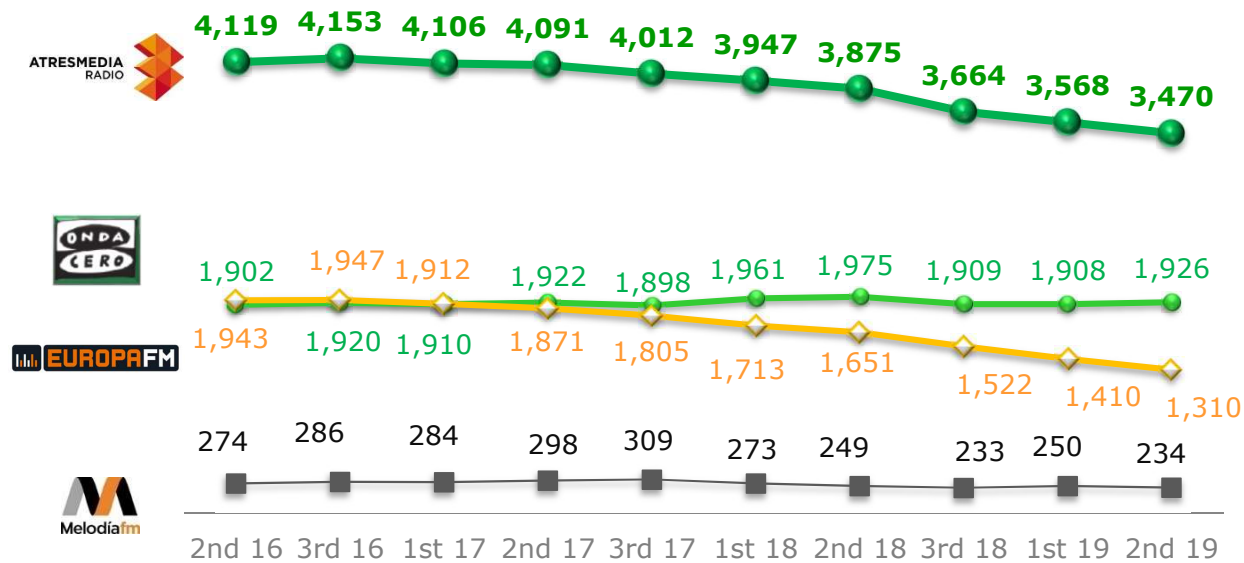


Atresmedia Radio

➔ Atresmedia Radio reached near 3.5 mill listeners/day in the last survey

Listeners evolution

In thousand of listeners



Source: EGM Surveys Monday to Friday (.000) (Moving average).

Back up

Atresmedia

Q2 19 Results in € mill: P&L

	Q2 19	Q2 18	YoY
Total Net Rev.	282.4	298.4	-5.4%
OPEX	223.7	230.4	-2.9%
EBITDA	58.6	68.0	-13.8%
<i>EBITDA Margin</i>	<i>20.8%</i>	<i>22.8%</i>	
EBIT	53.7	63.3	-15.1%
<i>EBIT Margin</i>	<i>19.0%</i>	<i>21.2%</i>	
Net profit	40.9	48.3	-15.3%
<i>Net profit Margin</i>	<i>14.5%</i>	<i>16.2%</i>	

Source: Atresmedia`s financial statements

Atresmedia Audiovisual

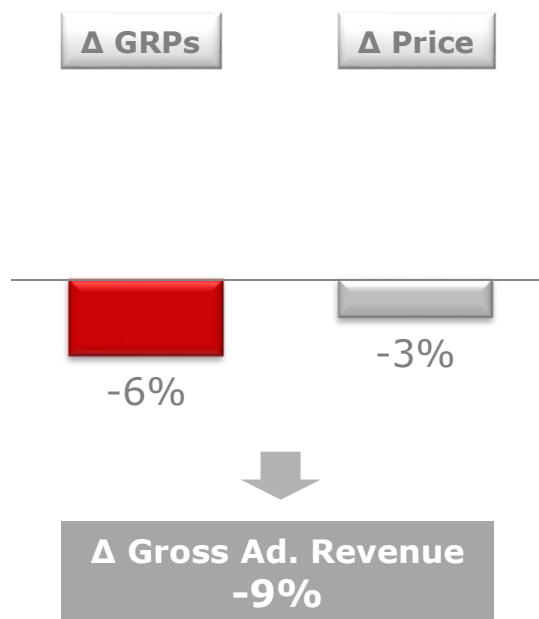
Q2 19 Results in € mill: P&L

	Q2 19	Q2 18	YoY
Total Net Rev.	261.2	277.5	-5.9%
OPEX	208.2	216.3	-3.7%
EBITDA	53.0	61.3	-13.5%
<i>EBITDA Margin</i>	<i>20.3%</i>	<i>22.1%</i>	
EBIT	48.8	57.1	-14.5%
<i>EBIT Margin</i>	<i>18.7%</i>	<i>20.6%</i>	

Source: Atresmedia`s financial statements

Television: Ad revenues breakdown in Q2 19

Q2 19 Key factors



Source: Internal estimates

Atresmedia Radio

Q2 19 Results in € mill: P&L

	Q2 19	Q2 18	YoY
Net Revenues	23.3	23.5	-0.7%
OPEX	17.7	16.7	+5.8%
EBITDA	5.7	6.8	-16.5%
<i>EBITDA Margin</i>	<i>24.2%</i>	<i>28.8%</i>	
EBIT	5.0	6.2	-20.2%
<i>EBIT Margin</i>	<i>21.3%</i>	<i>26.5%</i>	

Source: Atresmedia's financial statements

Additional information

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